

amount that the rates can be raised for terrorist insurance risk purposes and that part of the premium that would go to the terrorist risk would be set aside in the insurance company for accounting purposes from the rest of the premium so that we would know how much would be there, and if there were no terrorist loss, that could continue to be set aside for a catastrophe, which would include the terrorist loss. And—this is the part I am not sure those sponsors of the bill understand—even though I want to limit the rate increase, because I, indeed, think the rates are being raised using the September 11 horrible tragedy as an excuse to jack up the rates, nevertheless we have a responsibility to act, and we could limit those rate increases and, in the case that another terrorist event occurs and the loss were to occur, there is a portion of my bill on page 2 that would then have a surcharge on the policyholders up to the amount of the loss. That surcharge would be approved by the insurance departments of the 50 States.

In other words, since we would segregate the premium as allocated to the terrorist risk, and that limitation of the rates would be a 3-percent increase only, but if there were a terrorist event that exceeded an industry-wide—we are talking about \$6 billion of premium—then the surcharge would kick in. That is the part that I do not think those sponsors understand. They know I am a former insurance commissioner and I am quite concerned about rates being jacked through the roof and the consumer taking it on the chin, and that is why I wanted to come to the Chamber to speak. That is why I am so appreciative that the Senator from Connecticut is here.

I just got off the phone with the general counsel of State Farm, someone whose advice I valued over the 6 years I was insurance commissioner prior to coming to the Senate. I will be talking to several other CEOs and general counsel. This is, in part, what we have been talking about all along, and it is not something that insurance companies should think is an anathema to their position.

What is an anathema to their position is for them to gouge the public, the consumers, because it sets a limitation on the rates, but it is a fair way of approaching it. Clearly, at the end of the day, it is a way of protecting the businesses of America, the homeowners of America, and the automobile owners of America who, if we do nothing, are facing the prospect that insurance companies have withdrawn their coverage for a terrorist attack.

I thank the President for the opportunity to speak on this very important subject that is so important particularly at the eleventh hour of this session of Congress.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

#### NATO EXPANSION

Mr. WARNER. Mr. President, the Senators were advised by the Foreign Relations Committee through a hotline of the desire of the Senate to act on H.R. 3167. I have objected, and will continue to object, to the Senate considering this bill. It is a very significant bill, and I felt obligated to come to the Chamber and state to the Senate exactly why I object at this time in the few hours remaining in this session—I say a few hours, tonight and tomorrow—to proceeding to consider such an important document as this.

The document is an affirmation of a policy statement by President George W. Bush who said as follows on June 15, 2001, in a speech in Warsaw, Poland:

All of Europe's new democracies from the Baltic to the Black Sea and all that lie between should have the same chance for security and freedom and the same chance to join the institutions of Europe as Europe's old democracies have. I believe in NATO membership for all of Europe's democracies that seek it and are ready to share the responsibility that NATO brings.

Basically, I share the President's view on that, but this particular document goes on and cites the following. It says:

Declarations of Policy by the Congress of the United States.

1. Reaffirms its previous expressions of support for continued enlargement of NATO alliance contained in the NATO Participation Act of 1994, the NATO Enlargement Facilitation Act of 1996, and the European Security Act of 1998.

2. Supports the commitment to further enlargement of the NATO Alliance expressed by the Alliance in its Madrid Declaration of 1997 and its Washington Summit Communiqué of 1999.

3. —

And this perhaps is the more significant declaration of policy.

The Congress endorses the vision of further enlargement of the NATO Alliance articulated by President George W. Bush on June 15—

That was the statement I just read—and by former President William J. Clinton on October 22, 1996, and urges our NATO allies to work with the United States to realize its vision of the Prague Summit of 2002.

My views are as follows. I think NATO—and I think every Member of this body shares this with me—has done a magnificent job for over a half century. It is perhaps the strongest and most effective alliance and accord in terms of security that this Nation has ever entered into.

Last year we had a very significant debate, and that is my basic problem; there is no urgency for this. This Chamber should resonate again with a strong debate on future membership in our NATO.

We had several days of debate last year. I put forward an amendment limiting the number of nations.

My concern is there are nine nations referred to in this particular document, all seeking NATO membership. That would be 9 plus 19, which would come to 28. The debate was in 1998. That is a very significant increase.

This document does not proclaim each is going to be admitted, but it gives a strong inference and overtone that could come to pass. As a matter of fact, it is authorization to the effect that certain sums of money—and I support each and every one of these authorizations for funds going to the nations to enable them to continue their efforts to increase their military, to strengthen that military, to enable that military to become an important part of the overall military collection of the NATO countries.

Before we speak to all nine indirectly and subscribe in whole to the President's policy, this body has a responsibility to examine each nation, to have a formalization from the administration and others as to which of those nations should be considered for inclusion in NATO, presumably in 2002. I see no urgency that we should proceed on a UC, without any Members except myself so far rising to address this.

I respect the chairman of the Foreign Relations Committee. He was in the Chamber, which prompted me to speak, hoping I could engage him.

The distinguished ranking member has communicated his desire to have this passed. I respect both of those fine Senators, but I think this deserves very careful consideration. We had hearings in the Foreign Relations Committee in 1998 regarding those members that desired to join. We had hearings in the Armed Services Committee, on which I am privileged to serve. I certainly encourage my chairman, Senator LEVIN, to have hearings on any thought with regard to increasing the size of NATO and specifically looking at those nations and providing our determination, as the committee, to the Senate as to the contribution they wish to make and the verification of the capabilities to make that contribution, both militarily and politically.

By the way, these authorizations are contained in the foreign operations bill such that they can go forward. It will not impede the distribution of these funds.

From time to time, Members put holds on matters. I take that obligation very seriously and come to state with some precision exactly why I take that step and will continue to do so for the balance of this session of the Congress, namely that it deserves the full attention of the Senate, preceded by a debate in the chamber with consideration by the two committees that have specific oversight of these matters.

#### ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, Senator DODD and Senator MCCONNELL are in the Chamber. I ask unanimous consent to speak for 3 minutes and at the conclusion of my remarks the majority leader be recognized for a statement.

The PRESIDING OFFICER. Without objection, it is so ordered.